

Communications Workers of America AFL-CIO



UNIFIED COUNCIL OF MICHIGAN

Michigan House
Energy & Technology Committee

June 21, 2006

I'm here on behalf of the Communications Workers of America to show support for this very important piece of legislation. The Michigan Cable and Video Competition Act will encourage much needed competition in the Cable TV arena and will help expedite the process by implementing a State wide Franchise agreement that will eliminate the arduous process of hundreds of independent agreements throughout the state, and still allow equal distribution of the fees. Encouraging growth and much needed investment will help to bring good jobs into our state and that couldn't be more timely.

At a time when traditional wire line phone carriers such as AT&T have been forced to cut back 15% of their work force since 1998; it is important that we endorse this legislation. Capital investment by companies such as AT&T who want to offer the consumers of Michigan an alternative to traditional Cable TV are willing to build a high tech network with good paying union jobs in order to make the Video industry more technologically advanced, along with serving the consumers of Michigan better. Unions have represented up to 96% of technician and 77% of Service Reps at the old Bell ILECS. This is more than double the average then any other Tel-Com provider. This high rate of unionization leads to improved quality, better skills acquisition, more stable and productive workforce and far less turnover then traditional no-union represented workforce in comparison. These are jobs that have paid at least 26% more than comparable jobs in the cable TV industry. Lay-offs, dismissals, or voluntary departures are 10 times higher in Cable companies then in the traditional Bell ILECS. AT&T provides significantly more training for their employees than all other communication providers including more than twice the qualifying training offered by cable TV providers.

Since the passage of the Federal Telecommunication Act in 1996 that established policy for promoting competition in traditional Tel-Com services; vigorous competition has emerged among wire line, wireless and Cable TV Companies, each using different technology to provide local access services such as voice or internet connectivity. Historically "Local Exchange Carriers" ILECS such as AT&T provided switched wire line access to voice communication. AT&T and other ILECS had held a monopoly over the last mile of transmission lines connecting each home or office. Since the Federal Act passed new firms have entered the local market. (CLEC's) Competitive Local Exchange Carriers, Wireless providers such as T-mobile, Sprint, Nextel & Cingular offer affordable and convenient substitutes to wire line. Major Cable TV companies like Comcast and Time Warner have now entered the telecommunication market with alternative voice and high speed internet services. New Technologies and changes in public policy either locally or federally over the last decade have created alternative ways for customers to access local voice, internet, TV & multimedia services. Michigan also can be one of the states leading the charge on behalf of the people of this great state.

Creation of jobs by expanding investment and competition in this market would obviously be a shot in the arm to the economy of Michigan. We believe that consumers are demanding better choices in cable TV and Video opportunities and are seeking better service for their dollars. The consumers of Michigan deserve to have other alternatives and this legislation will allow this to happen in a more expedited manner. Along with consumer oversight protection and equal investment throughout all regions of the state this bill has the opportunity to give the consumers everything they expect and have been seeking, for years. Michigan needs the investment and the jobs that this Legislation would encourage and create.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mike Schulte".

Mike Schulte
Communications Workers of America